

1 **David W. Criswell**, OSB No. 925930

2 dcriswell@balljanik.com

3 BALL JANIK LLP

4 101 SW Main Street, Suite 1100

5 Portland, Oregon 97204-3219

6 Phone: 503-228-2525

7 Fax: 503-295-1058

8 Attorneys for PremierWest Bank

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11 **IN THE UNITED STATES BANKRUPTCY COURT**
12 **FOR THE DISTRICT OF OREGON**

13 In re

Case No. 10-62852-fra11

14 **Pioneer Village Investments, LLC**, an
Oregon limited liability company,

15 Debtor.

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18 **DECLARATION OF JAMES ERSKINE**
19 **IN SUPPORT OF OF MOTION FOR**
20 **ORDER FIXING PARALLEL**
21 **TIMELINES FOR COMPETING PLANS**
22 **OF REORGANIZATION**

23 I, James Erskine, declare and state as follows:

24 1. I am the Vice President-Senior Commercial Lender and Administrator of
25 Complex Commercial Loans under Credit Administration for PremierWest Bank ("Bank"),
26 which is a secured creditor in this Chapter 11 case. I have personal knowledge of the facts set
forth below, and if called and sworn as a witness, I could and would testify competently thereto.

2. I am expecting to receive a letter of intent from Falk Family Investments, LLC
("Falk") the week of February 21, 2011, which contain an offer for the purchase by Falk of the
Pioneer Village facility in Jacksonville, Oregon (the "Facility") under a plan of reorganization
sponsored by the Bank. That purchase transaction will provide for a \$12,000,000 purchase price
combined with a \$250,000 carve-out for the benefit of resident deposit creditors on closing plus

1 an additional \$250,000 payment to such creditors on the fifth anniversary of closing. The
2 purchase offer will be subject to financing and due diligence contingencies.

3 3. I have also received inquiries from MBK Senior Living, Avamere, and Emeritus
4 Senior Living (all companies with a significant presence in the assisted living/senior housing
5 industry) regarding a possible purchase of the Facility.

6 4. I declare under penalty of perjury under the laws of the United States of America
7 that the foregoing is true and correct.

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9 DATED : February 22, 2011

10 /s/ James Erskine
11 James Erskine
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CERTIFICATE OF SERVICE

I hereby certify that I served copies of the foregoing **DECLARATION OF JAMES ERSKINE IN SUPPORT OF MOTION FOR ORDER FIXING PARALLEL TIMELINES FOR COMPETING PLANS OF REORGANIZATION** on the following parties by CM/ECF:

- DOUGLAS P CUSHING doug.cushing@jordanschrader.com,
deborah.soloway@jordanschrader.com;Litparalegal@jordanschrader.com
- R CRAIG McMILLIN rcm@integraonline.com, cmfiling@hotmail.com
- JENNIFER L PALMQUIST jlpalmquist@nwlawfirm.com
- MATTHEW SUTTON msutt@uci.net
- US Trustee, Eugene USTPRegion18.EG.ECF@usdoj.gov
- CAROLYN G WADE carolyn.g.wade@doj.state.or.us
- PATRICK W WADE hhecfb@hershnerhunter.com
- C CASEY WHITE ckcwhite@msn.com

and on the following parties by **mailing** a full, true and correct copy in a sealed first-class postage prepaid envelope, addressed to the parties listed below, and deposited with the United States Postal Service at Portland, Oregon on the date set forth below:

Susan Casto
888 Twin Creeks Crossing
Central Point, OR 97502

Peggy P. Eccles Revocable Living Trust
c/o Melvin D. Ferguson
541 Walnut Ave
Klamath Falls, OR 97601

Irene Kartsounis
c/o Matthew Sutton Attorney
205 Crater Lake Avenue
Medford, OR 97504

Henry C. Winsor
1601 Veranda Park Dr #2
Medford, OR 97504

DATED: February 22, 2011

/s/ Stuart Wylen
Stuart Wylen, Legal Secretary